

NINETEENTH JUDICIAL DISTRICT COURT

PARISH OF EAST BATON ROUGE

STATE OF LOUISIANA

NUMBER: 499-737

DIVISION D

J. ROBERT WOOLEY, AS
ACTING COMMISSIONER OF INSURANCE
FOR THE STATE OF LOUISIANA
VERSUS
AMCARE HEALTH PLANS OF LOUISIANA, INC.

FILED: _____

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MEMORANDUM IN SUPPORT OF MOTION TO
APPROVE FILING PROOFS OF CLAIM

MAY IT PLEASE THE COURT:

This honorable Court entered an order appointing J. Robert Wooley, Commissioner of Insurance for the State of Louisiana as Liquidator of AmCare Health Plans of Louisiana, Inc. and Marlon Harrison as Receiver for AmCare Health Plans of Louisiana, Inc. in this matter on November 12, 2002. The Receiver has been implementing the Court's order of liquidation since that time.

On December 16, 2002, the 200th District Court of Travis County, State of Texas, in case number GV 204523 entered an Agreed Temporary Injunction and Order Appointing Temporary Receiver for AmCare Health Plans of Texas, Inc. ("AmCare Texas") and AmCare Management, Inc. ("AmCare Management"). A copy of that order is attached hereto and incorporated herein and marked **Exhibit A**. In connection with the entry of this order, the Texas Court overseeing the receivership of AmCare Management and AmCare Texas entered various orders staying all proceedings as to AmCare Management and AmCare Texas and requiring the filing of a proof of claim as to all claims against AmCare Management and AmCare Texas.

On June 30, 2003, the Receiver filed suit in this honorable Court asserting claims of mismanagement, negligence and certain other wrongful acts against various parties in connection with the operations of AmCare Health Plans of Louisiana, Inc. ("AmCare") prior to the entry of the order of liquidation of AmCare. That suit included certain claims as to AmCare Management, Inc. ("AmCare Management"), a wholly owned subsidiary of AmCareco, Inc. ("AmCareco"), which is also the parent company of AmCare, including claims for mismanagement, negligence and other wrongful acts. A copy of that suit is attached hereto and incorporated herein and marked **Exhibit**

B for identification. No action was taken as to AmCare Management in that suit by the Receiver because of the orders of the Texas Court as to AmCare Management and AmCare Texas.

The Receiver seeks authority from this Court for the filing of the proof of claim for AmCare Management, attached as **Exhibit C**, and the proof of claim for AmCare Texas, attached as **Exhibit D**, and pursuit of recovery through the proof of claim process approved by the Courts of the State of Texas overseeing the receiverships of AmCare Management and AmCare Texas.

The proof of claim filed to assert the claims of AmCare as to AmCare Texas indicates that AmCare has claims against AmCare Texas in an amount of at least \$150,228.99, as is more fully explained in the Explanation of Claims for the proof of claim, based on the best information known to the Receiver at present. The proof of claim filed to assert the claims of AmCare as to AmCare Management indicates that AmCare has claims against AmCare Management in an amount of at least \$17,14,555.73, as is more fully explained in the Explanation of Claims for the proof of claim, based on the best information known to the Receiver at present. In addition, the claims as to AmCare Management include the claims for mismanagement, negligence and certain wrongful acts as identified in suit number 499-737-01 on the docket of this Court. The Receiver asks that this honorable Court approve the pursuit of those claims for mismanagement, negligence and wrongful acts against AmCare Management, through the proof of claim process approved by the Texas Court overseeing the receivership of AmCare Management.

The Receiver asserts that approval of this process by this honorable Court will enhance principles of comity and promote the statutory schemes of the Louisiana Insurance Code and applicable Texas law in balancing the interests of policyholders, creditors and claimants of AmCare and AmCare Management and AmCare Texas, and in implementing an orderly process for the liquidation of all three companies. La. R.S. 22:760 of the Uniform Insurers Liquidation Law provides that claims of Louisiana claimants may be proved in the domiciliary state where a receivership proceeding is pending as provided by the law of that state and authorizes Louisiana claimants to file proofs of claim in accordance with the laws of the domiciliary state. In this instance the receivership proceedings for AmCare Texas and AmCare Management in the State of Texas authorize submission of proof of claim pursuant to the laws of the State of Texas in the Texas receivership proceedings for AmCare Texas and AmCare Management.

For all these reasons, the Receiver asks that this Court approve the filing of the proof of claim

for AmCare Management, attached as **Exhibit C**, and the proof of claim for AmCare Texas, attached as **Exhibit D**, and approve the pursuit of recovery by the Receiver as to AmCare Texas and AmCare Management through the proof of claim process approved by the Courts of the State of Texas overseeing the receiverships of A mCare Management and A mCare Texas, and that the Court approve the pursuit of the claims asserted for mismanagement, negligence and certain wrongful acts against AmCare Management, as outlined in suit number, through said proof of claim process.

RESPECTFULLY SUBMITTED,

BY ATTORNEYS FOR
J. Robert Wooley
Acting Commissioner of Insurance
for the State of Louisiana

Buser & Associates, APLC

BY: *Sue Buser*
Sue Buser #18151
1518 Highway 30 East
Gonzales, LA 70737
Telephone: (225) 644-6100
Fax: (225) 644-6111

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NINETEENTH JUDICIAL DISTRICT COURT
PARISH OF EAST BATON ROUGE
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ORDER

Considering the motion to approve filing of proofs of claims filed herein by the Receiver for AmCare Health Plans of Louisiana, Inc., in Receivership, and the Court considering the pleadings filed, and the Court finding that the parties are entitled to the relief granted,

IT IS ORDERED, ADJUDGED AND DECREED that the motion to approve filing of proofs of claim be and hereby is granted.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Court approves the filing of the proof of claim for AmCare Management, Inc. in Receivership, and the proof of claim for AmCare Health Plans of Texas, Inc. in Receivership, as presented to the Court and filed with said motion.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Court approves the pursuit of recovery as to AmCare Management, Inc. through the proof of claim process approved by the Courts of the State of Texas overseeing the receiverships of AmCare Management, Inc. in Receivership and AmCare Health Plans of Texas, Inc. in Receivership.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Court approves the pursuit of certain claims for mismanagement, negligence and wrongful acts as asserted in case number 049232 on the docket of this Court against AmCare Management, Inc. in Receivership, through the proof of claim process approved by the Courts of the State of Texas overseeing the receivership of AmCare Management, Inc. in Receivership.

East Baton Rouge, Louisiana, this 17 day of Sept, 2003.

James Clark
JUDGE

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